

ADAPT, INC.

Annual Financial Report

As of and for the Year-Ended

December 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 10 2012**

ROBERT E. LAMB, Jr.
CERTIFIED PUBLIC ACCOUNTANT
A Limited Liability Company
206 Georgia Avenue
BOGALUSA, LA 70427

Adapt, Inc.

Annual Financial Report

Table of Contents

	<u>Statement</u>	<u>Page</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT		1
FINANCIAL STATEMENTS		
Statement of Financial Position	A	2
Statement of Activities	B	3
Statement of Cash Flow	C	4
Notes to Financial Statements		5-7
SUPPLEMENTAL INFORMATION		
Schedule of Board Members		8
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES		9-12
LOUISIANA COMPLIANCE QUESTIONNAIRE		13-14

ROBERT E. LAMB, JR.
CERTIFIED PUBLIC ACCOUNTANT
A Limited Liability Company
206 Georgia Avenue
Bogalusa, LA 70427

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of:
Adapt, Inc.
216 Memphis Street
Bogalusa, LA 70427

We have reviewed the accompanying Statement of Financial Position of Adapt, Inc. as of and for the year ended December 31, 2011, and the related Statement of Activities, and Cash Flow for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation of the financial statements.

My responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are not material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on our review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated June 29, 2012 on the results of our agreed-upon procedures.

Robert E. Lamb, Jr., CPA, LLC
June 22, 2012

ADAPT, INC.

Statement of Financial Position

As of December 31, 2011

ASSETS

Current assets:

Cash and cash equivalents	\$ 138,738
Grant receivables	28,043
Total current assets	<u>166,781</u>

Total Assets	\$ 166,781
---------------------	-------------------

LIABILITIES AND NET ASSETS

Current liabilities:

Payroll payable	\$ 869
Total current liabilities	<u>869</u>

Total Liabilities	869
--------------------------	------------

Net Assets:

Unrestricted	<u>165,912</u>
--------------	----------------

Total Net Assets	165,912
-------------------------	----------------

Total Liabilities and Net Assets	\$ 166,781
---	-------------------

The accompanying notes are an integral part of this financial statement.

ADAPT, INC.

Statement of Activities

For the year ended December 31, 2011

Functions/Programs	Expenses	Temporarily Restricted			Increase/ (Decrease)
		Grants Revenues	In-Kind Services		
Federal and State Grant Activity					
FY 10-11 Rape prevention education	\$ 12,437	\$ 12,437	\$ -	\$ -	
FY 10-12 Rape prevention education	7,642	7,642	-	-	
FY 10-11 Rape counseling program (CO 9)	36,292	27,539	8,083		(670)
FY 11-12 Rape counseling program (CO 10)	9,051	8,114	937		-
FY 10-11 Sexual assault program (MO 9)	5,721	5,721	-		-
FY 11-12 Sexual assault program (MO10)	9,089	9,089	-		-
FY 11-12 Sexual assault service program (SASP)	9,397	9,397	-		-
FY 10-11 Children trust fund	8,083	8,083	-		-
FY 11-12 Children trust fund	7,052	7,052	-		-
FY 10-11 Addictive order	33,322	38,300	-		4,978
FY 11-12 Addictive order	26,611	25,000	-		(1,611)
Total Federal and State Grant Activity	164,697	158,374	9,020		2,697
General Revenues					
Drug screening fees					41,602
Tobacco free living					15,200
Other fees DNA, Wellness					2,122
Counseling fees					9,005
Take Back the Night program proceeds					2,466
United Way proceeds					9,000
Miscellaneous					7,746
Total Unrestricted Revenue					87,141
Expenses					
Drug screening expenses					16,671
Tobacco free living					15,064
Other fees DNA, Wellness					2,163
Take Back the Night program expenses					1,041
United way program expenses					7,760
Consultant expenses					3,570
Operating expenses					35,796
Total Expenses					82,065
Change in Net Assets					
Net Assets, Beginning					7,773
Net Assets, Ending					158,139
					\$ 165,912

The accompanying notes are an integral part of this financial statement

ADAPT, INC.

Statement of Cash Flow

For the year ended December 31, 2010

Cash Flows From Operating Activities

Change in Net Assets 7,773

Adjustments to Reconcile Operating Income to Net Cash

Flows From Operating Activities:

Decrease in Grants Receivable 25,263

Decrease in Payroll Tax Payable (1,185)

Net Cash Flows From Operating Activities \$ 31,851

Net Change in Cash and Cash Equivalents 31,851

Cash and Cash Equivalents - Beginning of Year 106,887Cash and Cash Equivalents - End of Year \$ 138,738

The accompanying notes are an integral part of this financial statement

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporation and Nature of Activities

Adapt, Inc. (the "Organization") is a Louisiana non-profit corporation formed on July 22, 1994. The Organization's purpose is to provide education and out-patient therapy and assessments in the area of substance abuse; to provide education, out-patient therapy and assessments to victims of sexual assault; to provide general mental health and social services through collaboration, coordination, education, assessment, and intervention, and to enter into any lawful business activity which corporations organized under Revised Statute 12:201 et seq. engage, either for its own account or on behalf of others as an agent.

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting based on accounting principles generally accepted in the United States. The Organization follows the guidance provided by the Financial Accounting Standards Board in its codification of accounting standards (ASC 958). Under these standards, the Organization is required to report its financial position and activities in three classes based on the existence of donor-imposed restrictions regarding the use of the assets. The classes of net assets are as follows:

Unrestricted net assets represent those net assets which are not subject to any donor imposed restrictions and, therefore, may be utilized at the discretion of the organization.

Temporarily restricted net assets result from contributions and other inflows of assets whose use is limited by donor imposed restrictions that expire by passage of time or upon the fulfillment of the donor imposed restrictions by the Organization.

Permanently restricted net assets result from contributions and other inflows of net assets whose use by the Organization is limited by stipulations that do not expire or otherwise cannot be removed by the Organization.

Revenue Recognition

The Organization receives the majority of its funding through federal grants which are passed through local state agencies. Revenue from grants is recognized at the time that the underlying expenses which are reimbursable according to the terms of the grant are incurred.

The Organization also provides services on a fee for service basis. These services include drug screening and counseling. Revenue from such services is recognized at the time the services are provided to the client.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all short-term debt securities with maturity of three months or less to be cash equivalents.

Grant Receivables

Grant receivables represent amounts due for reimbursement of expenses which had been incurred by the Organization as of December 31, 2011, which were reimbursable under federal grants, and which had not been reimbursed to the Organization as of December 31, 2011.

Income Taxes

The Organization is a not-for-profit corporation that is exempt from both federal and Louisiana income taxes under Section 501(c)(3) of the Internal Revenue Code and R.S. 12:201 of Louisiana Statutes. Accordingly, the Organization has not provided any provision for income taxes in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND CASH EQUIVALENTS

The Corporation's cash equivalents at December 31, 2011 were comprised of demand deposits in the amount of \$138,738. These deposits are stated at cost, which approximates market. Under state law these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must all time equal the amount on deposit with the fiscal agent. At December 31, 2011 the Corporation has \$143,363 in deposits (collected bank balance). These deposits are fully secured from risk by federal deposit insurance.

NOTE 3: RECEIVABLES

The Corporation's receivables consist of reimbursements due for federal grant expenditures. Amounts due as of December 31, 2011 were as follows:

Adapt, Inc.
Notes to Financial Statements
December 31, 2011

FY 11-12 Rape prevention education	\$ 2,718
FY 11-12 Rape counseling program	8,114
FY 11-12 Sexual assault counselor	2,701
FY 11-12 Sexual assault service program	7,468
FY 11-12 Children trust fund	4,172
FY 11-12 Addictive order	2,870
	<u>28,043</u>

NOTE 4: LEASE

On July 1, 2010, the Corporation entered into a lease agreement for the property located at 216 Memphis Street, Bogalusa, Louisiana. The lease is \$1,000 per month for 24 months and will terminate on June 30, 2012. The lease agreement is renewable for two successive two-year terms commencing on July 1, 2012.

NOTE 5: SCHEDULE OF FEDERAL GRANT AWARDS

Grants from governmental agencies include the following for the year ended December 31, 2011:

	Federal CFDA Number	Pass through Grantor Number	Federal Expenditures
FEDERAL GRANTS			
United States Department of Health and Human Services			
Louisiana Department of Health and Hospitals			
FY 10-11 Rape prevention education	93:136	CFMS 627482	\$ 12,437
FY 11-12 Rape prevention education	93:136	CFMS 627482	7,642
FY 10-11 Children trust fund	93:136	CFMS 651972	8,083
FY 11-12 Children trust fund	93:136	CFMS 651972	7,052
FY 10-11 Addictive disorder	93:136	CFMS 692642	33,322
FY 11-12 Addictive disorder	93:136	CFMS 692642	26,611
United States Department of Justice			
Louisiana Commission On Law Enforcement			
FY 10-11 Rape counseling program	165:75	CO 9-5-006	36,292
FY 11-12 Rape counseling program	165:75	CO 10-5-007	9,051
FY 10-11 Sexual assault counselor	165:88	MO 9-8-021	5,721
FY 11-12 Sexual assault counselor	165:88	MO 10-8-021	9,089
FY 11-12 Sexual assault service program	165:88		9,397
Total Federal Grants Expenditures			<u>164,697</u>

ADAPT, INC.**Schedule of Board Members****For the year ended December 31, 2011**

	TERM
Dorothy Young, President 27440 Hwy 21 Angie, La. 70426 985-986-2605	1/1/11-12/31/11
Sandra Bloom, Vice-President 409 Salem Drive Bogalusa, La 70427 985-740-4227	1/1/11-12/31/11
Michelle Knight, Treasurer 64284 Foster Town Road Angie, La. 70426 985-732-3691	1/1/11-12/31/11
Merlin Duke, Board member 433 Plaza Bogalusa, La 70427 985-730-6800	1/1/11-12/31/11
Erin Killingworth 1403 North Avenue Bogalusa, La 70427 985-735-0322	1/1/11-12/31/11
Charlette Fornea, Chief Executive Officer 25705 Coleman Street Angie, La. 70426 985-735-0322	

Board Members are re-elected each year and receive no compensation.

ROBERT E. LAMB, JR.
CERTIFIED PUBLIC ACCOUNTANT
A LIMITED LIABILITY COMPANY
206 Georgia Avenue
Bogalusa, LA 70427

**INDEPENDENT ACCOUNTANTS REPORT ON APPLYING AGREED UPON
PROCEDURES**

To the Board of Trustees of:

Adapt, Inc.

216 Memphis Street
Bogalusa, LA 70427

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the board of trustees of Adapt, Inc., the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Adapt, Inc.'s compliance with certain laws and regulations during the year ended December 31, 2011 included in the accompanying *Louisiana Attestation Questionnaire*. Management of Adapt, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state and local award expenditures for the fiscal year, by grant and grant year.

Adapt Inc.'s federal award expenditures for all federal programs for the fiscal year were as follows:

Federal, State or Local Grant Name	Grant Yr.	CFDA #	Amount
Rape Prevention Education	2010-11	93:136	\$12,437
Rape Prevention Education	2011-12	93:136	7,642
Children's Trust Fund	2010-11	93:136	8,083
Children's Trust Fund	2011-12	93:136	7,052
Addictive Disorder	2010-11	93:136	33,322

Addictive Disorder	2011-12	93:136	26,611
Rape Counseling Program	2010-11	165:75	36,292
Rape Counseling Program	2011-12	165:75	9,051
Sexual Assault Counselor	2010-11	165:88	5,721
Sexual Assault Counselor	2011-12	165:88	9,089
Sexual Assault Service Program	2011-12	165:88	9,397

2. For each federal, state, and local award, randomly selected 6 disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

We selected 30 disbursements on a judgmental, non-mathematical basis from the grant awards listed above for testing.

3. For the items selected in procedure 2, trace the selected disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the 30 selected disbursements and found that, without exception, payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, determine if the 30 selected disbursements were properly coded to the correct fund and general ledger account.

Each of the payments selected were coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, determine whether the 30 selected disbursements received approval from proper authorities.

Inspection of documentation supporting each of the 30 selected disbursements indicated approvals from the executive director without exception

6. For the items selected in procedure 2: For federal awards, determine whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, determine whether the disbursements complied with the grant agreement, relating to:

Activities allowed or disallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. All of the selected disbursements were for expenses allowed under the terms of the grant.

Eligibility

We reviewed each of the disbursements for eligibility requirements and noted that all of the disbursements selected met the eligibility requirements.

Reporting

We reviewed the selected disbursements for reporting requirements and noted proper reporting without exception.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, compare the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

The 30 disbursements selected included 5 federal programs that were closed out during the period of our review. We compared the close-out reports for these 5 federal programs with the agency's financial records. The amounts reported on the close-out reports agreed to the agency's financial records.

Open Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:1 through 42:13 (the open meetings law).

Adapt, Inc., holds its board of trustees meetings on a quarterly basis. The agency is only required to post a notice of each meeting and the accompanying agenda on the door of its corporate office. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Budget

9. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Adapt, Inc. provided comprehensive budgets to the applicable state grantor agencies for the programs listed above. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

There were no suggestions, recommendations, and/or comments which were included in the prior year annual financial report.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Adapt, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Robert E. Lamb, Jr., CPA, LLC

June 22, 2012

ADAPT, INC

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

5/15/2012 (Date Transmitted)

Robert E. LAMB, JR. CPA LLC
206 George Ave
Bossier, LA 70627
(Auditors)

In connection with your review of our financial statements as of
December 31, 2011 and for the period then ended, and as required by Louisiana
Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following
representations to you. We accept full responsibility for our compliance with the following laws and
regulation and the internal controls over compliance with such laws and regulations. We have evaluated
our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of
completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of federal, state and local award expenditures for the fiscal year, by
grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our
accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry
and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we
administer, to include matters contained in the OMB Compliance Supplement, matters contained in the
grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget
requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S.
42:1 through 42:13 (the open meetings law).

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

N/A

Yes ☐ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Mark Dale Secretary 6-1-12 Date
Michelle Knight Treasurer 6-1-12 Date
Sorothy Young President 6-1-12 Date